

STATEMENT OF PURPOSE

RS22918

This bill addresses two areas of bond issuance in need of reform.

First, the bill repeals the three instances in Idaho Code that require the Attorney General to approve the issuance of certain bonds. Current law provides for Attorney General approval for bonds issued by state universities and city and county housing authorities. The approval creates an administrative burden and is unnecessary for the acceptance of bonds into the marketplace. The approval also raises a concern that the State is impliedly responsible for the bonds, which could make bonds subject to legal challenge under Article VIII Section 1 and 4 of the Constitution.

Second, the bill also authorizes public bodies of the State of Idaho to delegate authority to determine the actual terms and conditions of bonds in accordance with parameters and specific instructions established by the governing body in its authorizing resolution or ordinance.

Delegation enables public bodies to sell bonds into the market at the time markets are most favorable rather than having to time the bond sale to coincide with board meetings. Timely entry into the market is especially critical in the case of refinancing bonds.

The officer to whom authority is delegated cannot exceed the authority granted by the governing body. Also, the bill makes clear that all existing limitations on bond issuance, including voter authorization, still apply, and that no additional powers are created for any public body.

FISCAL NOTE

No fiscal impact.

Contact:

Brian Kane
Office of Attorney General
(208) 344-2400
Michael M. Stoddard
Hawley Troxell
(208) 388-4892